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Report of the Ethics Office of UNICEF for 2014

Summary

The present report is submitted to the UNICEF Executive Board in accordance with section 5.4 of the Secretary-General's bulletin ST/SGB/2007/11, "United Nations system-wide application of ethics: separately administered organs and programmes" and with UNICEF Executive Board decisions 2010/18 and 2014/12. The report was reviewed by the Ethics Panel of the United Nations at its 66th session.

This annual report covers each of the mandated areas of work for the Office: (a) standards-setting and policy support; (b) training, education and outreach; (c) advice and guidance; (d) the Financial Disclosure Programme; (e) protection of staff against retaliation; and (f) participation in the Ethics Panel of the United Nations and Ethics Network for Multilateral Organizations. In accordance with Executive Board decision 2014/12, the report also presents recommendations to management to strengthen the organizational culture of integrity and compliance.

During 2014, the Ethics Office had three priorities: (a) to increase staff awareness of the ethics of international civil service; (b) to enhance understanding of how to avoid or mitigate conflicts of interest; and (c) to promote a "speak up" culture in UNICEF. The main means to make progress in these areas were the Financial Disclosure Programme, confidential advice given to staff members as well as to office managers, training and support given to country office volunteer Ethics Dialogue Facilitators, the inclusion of ethical considerations in the development of policy and guidelines, and the sharing of experience within the United Nations system.

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Introduction and general information on activities of the Ethics Office

1. The activities of the Ethics Office were undertaken in the following mandated areas of work:

(a) Provide guidance and policy support to management on ethics standards-setting by reviewing and advising on the rules, policies, procedures and practices of the organization in order to reinforce and promote the highest standards of ethics and integrity as required by the Charter of the United Nations, other applicable staff rules and regulations, and the standards of conduct for the international civil service;

(b) Raise staff awareness about United Nations values and expected standards of conduct and procedures, and the importance of these for delivering sustainable results for children, through staff orientation programmes, training and other outreach;

(c) Provide confidential advice and guidance to staff and management, at their request, on ethics-related policy and practice issues, including conflict of interest, financial disclosure, fostering a "speak up" culture, and protection against retaliation;

(d) Administer the Financial Disclosure Programme;

(e) Undertake assigned responsibilities under the policy on protection against retaliation;

(f) Contribute to harmonized approaches to ethics issues within the United Nations System.

2. The Ethics Office received 261 requests for its services in 2014. This compares to 221 requests in 2012 and 271 in 2013. The office is receiving increasingly diverse requests for ethics advice, including assistance with ethical decision-making by managers of offices and programmes.

3. Of the 261 requests received in 2014, the largest component (47 per cent) related to services provided under the advisory and guidance function of the Office, followed by requests for training-related services (16 per cent). There was an increase in the number of requests related to protection against retaliation, from two in 2013 to seven in 2014. Only one query related to the Financial Disclosure Programme; this low number reflects the maturity of the programme. Figure I shows the percentage distribution of the different types of service requests. Table 1 summarizes the services provided by the Ethics Office over the three-year period, 2012-2014.

4. Throughout 2014, the Ethics Office continued to work closely with offices across UNICEF, aiming to promote common and complementary messaging. Through collaboration, the office also provided inputs and advice on issues of organizational ethics to offices with regulatory authority. The Ethics Office itself, due to its independent advisory nature, does not possess regulatory authority. Collaboration continued with the Division of Human Resources (DHR), Office of Internal Audit and Investigations (OIAI), Office of the UNICEF Legal Adviser, Information Technology Solutions and Services Division, Supply Division and the Staff Association at global and regional levels. Communication remained close with regional offices. The Ethics Office met regularly with the Office of the Executive Director.

Figure I
Number of requests for ethics services by category, 2014

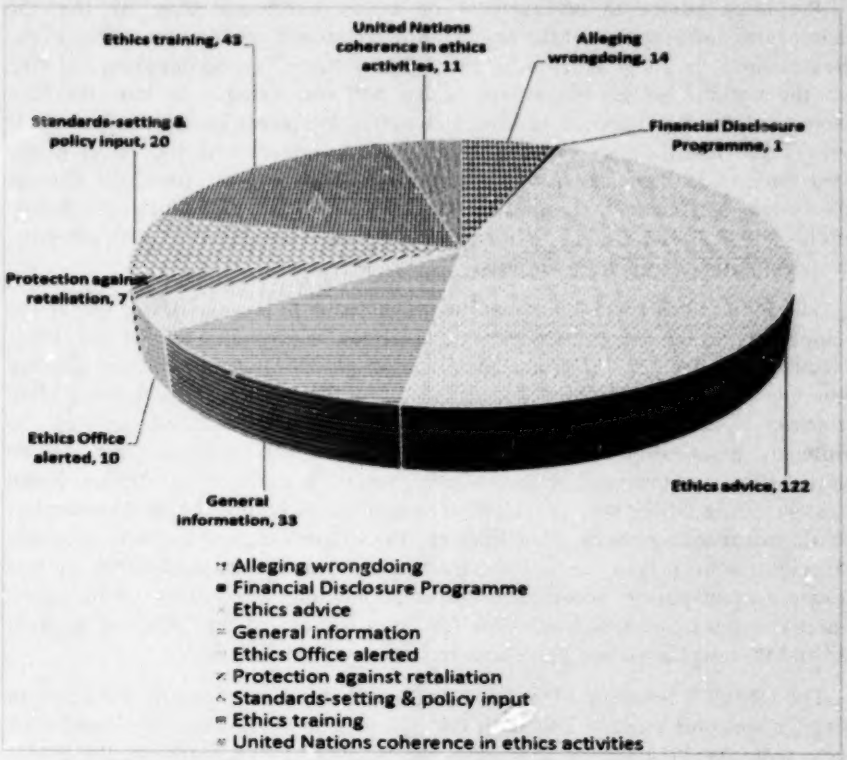


Table 1
Comparison of the number of ethics requests for services by category, 2012 to 2014

Category	*2012*	*2013*	*2014*
Alleging wrongdoing[a]	0	21	14
Ethics advice	146	121	122
Financial disclosure	32	24	1
General information	10	20	33
Ethics Office alerted[b]	0	9	10
Protection against retaliation	5	2	7
Standards-setting and policy input	18	23	20
Ethics training	10	51	43
United Nations ethics activity coherence[c]	0	0	11
Total	**221**	**271**	**261**

[a] This category was separated from ethics advice in 2013.
[b] Ethics Office alerted to monitor for action as needed.
[c] This category was separate from ethics advice and general information in 2014.

Standards-setting and policy support

5. Providing advice to management on ethics standards-setting, so that the policies, rules and practices of the organization reflect and promote the values of the United Nations, is a key function of the Ethics Office. This advice does not stop when the policies or guidelines are issued but also extends to how they are implemented. As the organization fosters increased awareness among staff members about the fact that they are expected to align their conduct with the values of the United Nations, staff members will in turn increasingly expect procedural fairness of the system. Therefore, it is important that the policies and guidelines are not only explicitly aligned with United Nations values but also implemented with integrity, with special attention given to fairness.

6. The Ethics Office worked across the organization to provide advice during the development of a number of policies and guidelines. In providing advice, the Office has focused on reviewing the proposed policies or guidelines to see whether they are addressing issues of ethics, especially conflicts of interest, including post-employment restrictions, and impartiality. For guidelines relating to recruitment, partnership or procurement of goods or services, the Ethics Office advised offices on the need to assess core values in addition to efficiency and competence. The Office was consulted on a number of issues: the development of the child safeguarding policy; guidelines on ethics in research on and with children; engagement with private sector; contracting of consultants and services, and post-employment policy; accountabilities to populations affected by emergencies; the Ebola response; revised guidelines for investigations of the Office of Internal Audit and Investigations; and guidelines for external publications.

7. The UNICEF Strategic Plan, 2014-2017, includes a management indicator on fostering a speak-up culture. This indicator is measured by the biennial Global Staff Survey, with the 2014 survey serving as the baseline. For this reason, the Ethics Office provided advice to management during the development of the 2014 survey.

8. Collaboration with DHR has been important in the provision of consistent advice to staff on the organization's policy (CF/EXD/2012-009) regarding outside activities, such as those relating to board memberships, charitable activities and publications (see the United Nations administrative instructions ST/AI/2000/13 and the information circular ST/IC/2006/30). The Ethics Office also had frequent consultation with OIAI, the Office of the Ombudsman and the Staff Counsellor's Office to improve understanding of the risks that the organization faces if ethics are breached.

Training, education and outreach

9. The Ethics Office promotes awareness of the expected behaviour of those working in the international civil service so that the values of the United Nations become tangible. The training also aims to promote awareness of the cognitive biases that can make it difficult for staff members to consistently adhere to these standards of behaviour and to policies in daily decision-making. The conversations on ethics address recognition of conflicts of interest and related dilemmas, challenges to impartiality and the risks posed when over-conformity may inhibit speaking up.

10. Ethical leadership is key to fostering ethical organizational culture. For this reason, the Ethics Office works with regional management teams, DHR-managed leadership programmes for role-based training, and with country management teams specifically on the role of leaders. In terms of role-based training, materials on ethics in fundraising and partnership-building was also made available at country, regional and headquarters levels.

11. In 2014, the Ethics Office received 43 requests for training support. This figure does not include the web-based sessions held to train a cadre of local ethics-dialogue facilitators. The office responded to the 43 requests through three modalities: (a) face-to-face group training sessions at headquarters, regional and country offices; (b) provision of material and tutoring of facilitators for local ethics dialogues organized by individual offices; and (c) briefings and other provision of information.

12. A total of 855 staff members were trained face to face. This does not include shorter briefings of groups or individuals on site, leadership training, support to local training via Skype or other special training on partnership and fundraising. It also does not include the number of Ethics Dialogue Facilitators trained using web-based methods. The various training activities are listed in table 2 below.

13. The Ethics Office, in collaboration with the regional offices and the Division of Human Resources, piloted the Ethics Dialogue Facilitator initiative in late 2013. In 2014, this initiative was taken to scale. The facilitators are trained to use modules that cover the values of the United Nations, the standards of conduct for international civil service, conflicts of interest, fraud and misconduct, protection against retaliation, and public service and private life. These were developed in collaboration with DHR, OIAI, the Office of the UNICEF Legal Advisor, Supply Division, Division of Financial and Administrative Management, and regional offices. Each module consists of case studies, discussion and presentation, and can be completed in less than 90 minutes. Modules are available in English, French and Spanish. A total of 150 Ethics Dialogue Facilitators were trained in 71 countries using web-based training, which took place throughout the year. In 2014, these facilitators conducted 25 dialogue sessions in 19 country offices. Following their local training sessions, these facilitators sent queries to the Ethics Office regarding specific ethical dilemmas the staff members face. The objective of the initiative is to enable country offices to carry out shorter but more frequent ethics dialogues in order to create a habit of ethical reflection at the time of decision-making.

14. In November 2014, a new online basic ethics awareness course, adapted from the United Nations Secretariat e-learning course, was finalized in English. It is being translated into French and Spanish in time for the anticipated launch of the course in the first quarter of 2015. It is expected to be mandatory for all current staff and included in the induction package for all new staff.

15. Ten of the training requests received by the Ethics Office were for materials or advice on conducting local ethics training sessions. The Ethics Office sent material, including a tailor-made video message, and in some cases engaged in dialogue with the facilitators before and after the session.

16. The Ethics Office also responded to a request for advice and material for the development of training for the Harmonized Approach for Cash Transfers (HACT). The office was pleased to note that ethics and integrity are considered important components of HACT implementation. The Office also noted as a positive trend the

increased attention paid by internal auditors to ethics training and awareness-raising on ethics by office management.

17. The Ethics Office values its collaboration with Supply Division, which conducts training on managing procurement and contracts. Integrity in procurement and contracts management is part of the basic training package. In 2014, Supply Division conducted six different sessions on integrity issues with a total of 557 participants. Among these were 158 staff members from offices and divisions other than Supply, with 145 from field offices and 13 from headquarters. The Ethics Office continues to exchange information and experience with the Supply Division training team.

Table 2
Training sessions held in 2014

	On-site training				
	Staff and ethics	*Leadership and ethics*	*Special topics*	*On-site briefings*	*Web-based training or support*
Country and regional offices	Bangladesh Cambodia Cameroon Côte d'Ivoire Philippines Thailand Timor-Leste Eastern and Southern Africa Regional Office West and Central Africa Regional Office (WCARO) East Asia and Pacific Regional Office (EAPRO) Staff Association Chairs	*Regional management teams*: South Asia WCARO *Country/office management teams*: Bangladesh Cambodia Cameroon Philippines Thailand Timor-Leste EAPRO	Thailand EAPRO Division of Public Partnerships	New human resource chief for WCARO	Ecuador Zambia Ethics Dialogue Facilitators
Headquarters	OIAI New and Emerging Talent Initiative		New York Staff Association-organized interaction with staff; Division of Public Partnerships	Senior Staff Review Panel; Supply Division contracting staff; DHR and regional human resource chiefs	

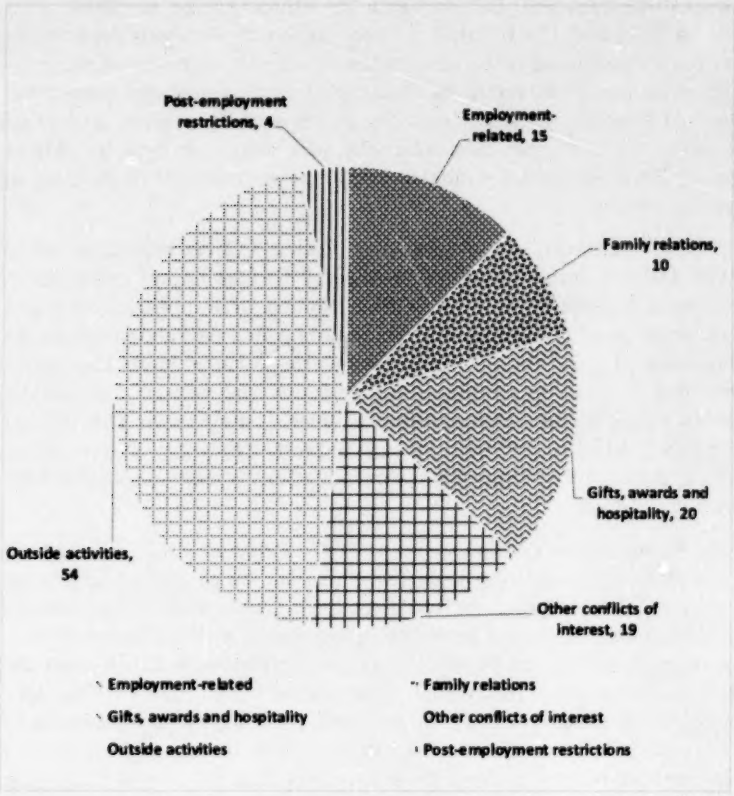
Advice and guidance

18. The Ethics Office received 122 requests for ethics advice in 2014. This compares to 146 in 2012 and 121 in 2013. As seen in Figure II, a vast majority of requests (88 per cent) continue to relate to conflicts of interest in the broad sense — related to outside activities, gifts, family relations, post-employment and other areas prone to conflicts of interest. While the majority of requests come from individual staff members, many are now from managers who seek advice on how to address ethical dilemmas at UNICEF vis-à-vis outside entities or as managers responding to staff requests and questions.

19. With regard to conflicts of interest, the Ethics Office maintains close collaboration with DHR in terms of advice provided. The majority of questions in this category continues to come to the Ethics Office through DHR, although there is a welcome increase in the number of requests from country office staff and management regarding management of conflicts of interest for locally recruited staff. The Ethics Office has continued to develop templates for guidance and recusal that can be adapted for various situations in which conflicts of interest may occur. This has led to simple cases being handled by DHR. Thus, requests requiring Ethics Office advice tend to be complex, often requiring several iterations of communication with the staff members and offices.

20. In 2014, the Ethics Office continued the practice started in 2013 to categorize "allegation of wrongdoing" separately from the ethics advice category. Reports on fraudulent conduct are now mostly reported directly to OIAI, while allegations of possible harassment, including sexual harassment, are shared with the Ethics Office. The Office advises staff to first get in touch with the Ombudsman, which most do. However, some reporters hesitate to take their case forward. The Ethics Office does not have a mandate to engage directly in the resolution of employment-related grievances. It provides advice on the mechanisms available to seek redress and on entities that can support staff to address their concerns. The office has noted that often the staff members have not adequately documented incidents that give rise to their concerns. Thus, the training package now includes a concrete guide on how to document incidents of perceived harassment. Training of leaders also addresses the role of managers in fostering a respectful and harmonious workplace.

Figure II
Requests for ethics advice by subcategory, 2014



Financial Disclosure Programme

21. The Ethics Office continues to administer the Financial Disclosure Programme, the main objective of which is the management of conflicts of interest. To increase awareness of the importance of managing conflicts of interest, the Ethics Office in internal communications with staff members refers to this programme as the Conflicts of Interest and Financial Disclosure Programme (CIFDP). The programme has now reached its seventh year of operation and continues to be an important tool to foster a culture of integrity in UNICEF. As in previous years, the programme protects UNICEF against conflicts of interest and various organizational risks related to the outside activities and financial engagements of staff members.

22. In accordance with the Executive Directive of 2012 (CF/EXD/2012-003), all staff members at the D-1 level and above, and any staff member whose responsibilities are identified in the financial disclosure policy of UNICEF, are required to file a disclosure. In addition to pre-selected staff members who are required to file due to their level or functional title, additional staff members are selected in accordance with the policy, in collaboration with the Ethics Office and the head of each office during the registration of the programme. The Ethics Office

relies greatly on the individual offices for selecting additional staff members according to their level, function and apparent risk. The number of staff members participating in the programme was 2,694 in 2012 and 2,498 in 2013. A total of 2,594 staff members were selected in 2014 to participate in the Financial Disclosure Programme reporting on the period 1 January 2013 to 31 December 2013. This includes staff members at the director and representative levels who became eligible to participate after the programme launch date in March and who were sent a notification to begin filing their disclosure in September 2014.

23. By mid-July 2014, there was 99 per cent compliance by staff members who had been identified in March. Exception had been granted to 45 staff members who had separated from service, had taken extended leave or had not fit the profile and were removed from the list at the request of focal points. The remaining few were contacted by DHR for compliance. By mid-January 2015, there was also a 100 per cent compliance rate for new senior staff members who had been selected to file disclosures in September. As in previous years, the Ethics Office continues to collaborate with DHR in a system that requires senior managers to comply with the programme before the extension of their contracts as well as before being appointed to senior positions.

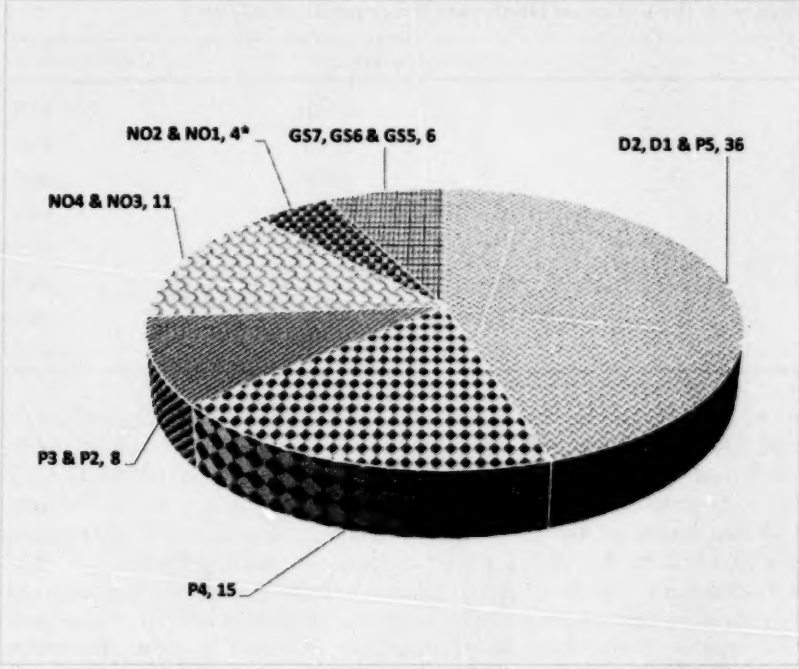
Table 3
Compliance with the Financial Disclosure Programme, 2007-2014

Year	*Number of staff required to file*	*Compliance (%)*
2007	2 545	82.8
2008	2 556	83.8
2009	2 536	100.0
2010	2 365	99.6
2011	2 592	99.7
2012	2 694	99.9
2013	2 498	100.0
2014	2 594	100.0

24. The review of the disclosures is a crucial step in understanding the conflicts of interest risk. Efforts are made to mitigate risks related to conflicts of interest and to provide staff members with guidance on how to prevent conflicts related to their professional obligations. The conflicts identified relate mainly to the outside activities of staff members. Another category of conflicts relates to staff with family members who work in the United Nations system. A small percentage of staff members have tenants who work in the United Nations system. Having received guidance in previous years, staff are more cognizant of actions needed to deal with conflicts of interest. Thus, many have proactively indicated in their disclosures appropriate mitigation measures, reducing the need for guidance notes. Overall, out of the 2,594 staff members who filed a disclosure, 171 (7 per cent) had some form of conflict of interest risk requiring a guidance note. Due to reasons mentioned above, the number of guidance notes issued was lower than in previous years.

25. The verification process is an integral part of the Financial Disclosure Programme and serves to improve the accuracy of the information disclosed by staff members. This year, the Ethics Office conducted its second verification of the disclosures. Of the filing population, slightly over 3 per cent (80 statements), diversified by location and grade, were randomly selected for verification. Figure III below shows that 44 per cent of staff members were selected at the director and P-5 levels. The staff members selected for verification were required to provide supporting documentation, including third-party documents, to validate the information they disclosed in their statements. Six staff members retired or otherwise separated during the exercise for reason not related to the exercise. They were excluded from the verification process. By 30 December 2014, the office had completed the verification of 100 per cent of the remaining selected disclosures. Sixteen participants (20 per cent) provided documents that brought to light assets that they had not previously disclosed. Along with the usual notification to file the new disclosure in 2015, these staff members will receive a customized list of assets they missed. Because full and complete disclosure is essential to maintaining ethics standards, the Office will make additional efforts to provide staff members with instructions emphasizing its importance.

Figure III
Distribution of staff verified for financial disclosure by level, 2014



* NO refers to national professionals.

Protection of staff against retaliation

26. The policy on protection against retaliation is intended to safeguard those who report misconduct from actual or threatened detrimental action. This includes those who report misconduct in good faith or who participate in duly authorized audits or investigations. A properly functioning policy on protection against retaliation is important for promoting accountability and transparency in UNICEF operational activities as well as financial and human resource management. In accordance with the Executive Board decision 2014/12, UNICEF has revised its Protection against Retaliation Policy, extending the time frame for reporting a complaint to the Ethics Office from 60 days to 6 months after the alleged act or threat of retaliation has occurred.

27. Serving as the focal point for the policy on protection against retaliation is a key part of the work of the Ethics Office. In 2014, the Ethics Office received seven requests, all from country offices, related to protection against retaliation. Two of these requests were for information. Upon sharing the policy and further discussing issues with the concerned staff members, it was clear that their cases did not involve retaliation. Advice was given on ways to address their issues. In one case, the Ethics Office shared and explained the policy and requested additional information. However, the staff member did not pursue the matter further. In another case, the office has requested further information from and continues to be in touch with the staff member. In three cases, the Ethics Office proceeded to conduct preliminary reviews, concluding that a *prima facie* case of retaliation was involved in each. In one of these cases, the office also recommended interim relief for the complainant, which was implemented. The investigation of two of the cases has been concluded and in both cases the investigation did not find evidence of retaliation. The Ethics Office reviewed the investigation report as well as background documents and agreed with the outcome of the investigation. One case is under investigation at the time of submission of this report.

28. A speak-up culture is important for an organization aiming to foster alignment of staff conduct with expected standards as well as to embrace evaluation and to consider various views and inputs before critical strategic decisions are made. Yet attaining a speak-up culture remains difficult for staff in spite of the various mechanisms of formal and informal reporting instituted by the organization, as it involves three tenets in which staff members must trust: (a) you can speak up without fear of retaliation or other negative consequences; (b) speaking up is not futile; and (c) working mechanisms to resolve questions of misconduct or other disputes are applied fairly. Thus, the Key Performance Indicator in the Strategic Plan, 2014-2017, on speak-up culture was set to be a composite indicator of these three factors in the Global Staff Survey. Four indicators measuring staff perception, two related to fear, and one each on futility and fairness were used to calculate the composite index (simple average). According to the survey of 2014, the KPI on speak-up culture is that 51 per cent of survey respondents perceive that they can speak up. The organization should strive for the KPI to reach at least 80 per cent.

Ethics Panel of the United Nations and the Ethics Network of Multilateral Organizations

29. In 2014, UNICEF participated in 10 of the 11 meetings of the Ethics Panel of the United Nations. In addition to these meetings, the members of the panel frequently consulted each other to harmonize advice and practices. This has been extremely useful in improving the quality of advice as well as in contributing to greater harmonization of both policies and interpretation of policies in practice among the participating funds and programmes. Further information on the work of panel is available in the Report of the Secretary-General on the activities of the Ethics Office (A/69/332) presented at the sixty-ninth session of the General Assembly.

30. UNICEF also participates in the yearly meeting of the Ethics Network of Multilateral Organizations. The meeting is an excellent forum in which to exchange materials and to learn and develop best practices. In 2014, the meeting focused on issues of ethics issues arising from use of social media, whistle-blower protection and prevention of retaliation, ethics office collaboration with other internal stakeholders and enabling staff to give voice to values. The Principal Advisor on Ethics participated as a panel member in the session on ethics office collaboration with internal stakeholders.

Recommendations to management

31. The first paragraph of the Strategic Plan, 2014-2017, states that the fundamental mission of UNICEF is to promote the rights of every child, everywhere, in everything the organization does — in programmes, in advocacy and in operations. The focus on equity, emphasizing the most disadvantaged and excluded children and their families, further translates into action this commitment to children's rights. For UNICEF, equity means that all children have an opportunity to survive, develop and reach their full potential, without discrimination, bias or favouritism.

32. Ethical behaviour and decision-making are critical for UNICEF in fulfilling its mission. In the 2014-2017 strategic plan for the Ethics Office, three major objectives were set forth: raising awareness of the importance of ethics and the standards of conduct among UNICEF staff members, improving the understanding of conflicts of interest, and fostering a speak-up culture.

33. In the 2014 Global Staff Survey, 92 per cent of respondents stated that they understand the standards of conduct expected of them, and 83 per cent stated that they know what to do if they witness unethical behaviour or misconduct in UNICEF. This is very encouraging. To continue this trend, the Ethics Office recommends that the new e-learning programme be made mandatory for all staff members and be included in the induction programme for new staff members.

34. The Financial Disclosure Programme and overall awareness-raising has improved the understanding of conflicts of interest. However, queries shared with the Ethics Office during and after training sessions and ethics dialogue sessions indicate that there is continued need for improvement. DHR and the Ethics Office have also noted an increasing number of requests for advice on how to manage potential conflicts of interests of newly recruited staff members, such as being on special leave status from a previous employer. The Ethics Office recommends that a

system be introduced to allow new staff, as part of the recruitment process, to disclose and proactively manage possible conflicts of interest.

35. The 2013 Standards of Conduct of the International Civil Service has a new section on post-employment restrictions. UNICEF at headquarters level is increasingly using the United Nations Global Marketplace UNGM portal to request proposals for large-scale contracts. For these contracts, post-employment restrictions in line with the Secretary-General's bulletin ST/SGB/2006/15 on the subject are in place. However, for other contracts this is not as clear. The Ethics Office recommends that UNICEF adopt post-employment restrictions in line with ST/SGB/2006/15 for contracts for goods and services as well as for Programme Cooperation Agreements. This would also help the staff to better understand appropriate conduct vis-à-vis current and prospective contractors and grantee partners.

36. Speak-up culture enables the organization to address unethical conduct early enough so that it does not become an organizational risk. Its benefits, however, go further, as speak-up culture also helps to enhance open dialogue on innovative and strategic issues. To help to foster such a culture, the Ethics Office urges management to consider how to further implement policies in an open and fair manner, improve the implementation of existing policies in term of procedural fairness, to continue its efforts to improve leadership and managerial capacity at all levels to proactively address issues brought up by staff members, and to institute tools, such as 360 performance evaluation, to bring about accountability towards fostering speak-up culture.

37. The Ethics Office is committed to cultivating and nurturing a culture of ethics, integrity and accountability in UNICEF. Towards this end, it will continue to collaborate with all offices and divisions, the staff association, Ethics offices in the United Nations and other stakeholders to foster ethical organizational culture.